

at length, declining these propositions. They did not care to take a lease of rights which they declared were already theirs and had been exercised under express grants from the Crown or from Parliament for from 135 years, in the case of the youngest, to 186 years in the case of the oldest of the three banks. A state issue of notes, they declared, would not be acceptable to the people of Scotland, who would suffer more than the banks from the closing of many of the branches and the diminution of banking facilities which would be the necessary consequence.

The right of the Scotch banks to maintain their branches in England became a subject of active controversy in 1875, when Mr. Goschen introduced a bill in the House of Commons prohibiting such branches. The National Bank of Scotland had established a London branch in 1865 and the Bank of Scotland in 1872, and Mr. Goschen himself had carried through a bill permitting the Royal Bank to do so in 1873.¹ ^{was the} The Clydesdale Bank of branches in Northern England which aroused the hostility of the English banks.¹ Mr. Goschen's bill resulted in a commission, which made no recommendations, and the matter was dropped. A new attempt was made to drag the limitation upon Scotch banking into the limited liability act of 1879. It was embodied in the eighth section of the original government bill and prohibited limited companies from establishing branches outside that part of the Kingdom in which they had their head offices. The Scotch banks were immediately up in arms against this provision and the government were finally persuaded to abandon it. They attempted a flank movement, by cutting down the operations of the bill to the joint stock banks of England, entirely excluding Scotland and Ireland. This was to defeat one of the most important purposes of the bill and the friends of the Scotch banks declared that they would not permit it to pass in such a form. The government were finally compelled to give way and permit its passage in a form applicable to the entire United King-

¹ MacLeod, Theory and Practice of Banking, II, 397.